

STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES OFFICE OF PROJECT MANAGEMENT/PERMITTING ALASKA COASTAL MANAGEMENT PROGRAM

FRANK H. MURKOWSKI, GOVERNOR

□ SOUTHCENTRAL REGIONAL OFFICE
550 W 7th AVENUE SUITE 1660
ANCHORAGE, ALASKA 99501
PH: (907) 269-7470 FAX: (907) 269-3891

□ CENTRAL OFFICE
302 GOLD STREET, SUITE 202
JUNEAU, ALASKA 99801-0030
PH: (907) 465-3562 FAX: (907) 465-3075

□ PIPELINE COORDINATOR'S OFFICE
411 WEST 4TH AVENUE, SUITE 2C
ANCHORAGE, ALASKA 99501
PH: (907) 2857-1351 FAX: (907) 272-3829

www.alaskacoast.state.ak.us

March 16, 2004

Ms. Guyla McGrady
Department of Natural Resources
Division of Mining, Land and Water
Southcentral Region Land Office
550 W. 7th Ave., Suite 900C
Anchorage, AK 99501-3577

Dear Ms. McGrady:

**Subject: Southeast Prince of Wales Island Area Aquatic Farm Site Disposal
State Offer of Suitable Site, Disposal Program
State I.D. No. AK 0307-16J**

The Alaska Coastal Management Program (ACMP) Section of the Office of Project Management and Permitting (OPMP) received the preliminary decision for nominated mariculture sites, and supporting information you submitted for the proposed project in June, 2003. ACMP/OPMP began a review for consistency with the ACMP (AS 46.40) on July 1, 2003. According to our regulations, the project review must begin within fourteen days after the consistency review packet is determined to be complete and that the review must be completed within 90 days of its start, unless there are exceptional circumstances.

This review covered a preliminary finding and decision by the Department of Natural Resources (DNR) of a one-time aquatic farm disposal program as mandated under Chapter 81, SLA 2002 (House Bill 208, effective June 6, 2002). Under the HB 208, DNR was required to offer for lease to the public before February 15, 2004 areas providing for a minimum of 60 sites suitable for suspended culture of shellfish, 20 sites suitable for aquatic farming of clams, and 10 sites suitable for aquatic farming of geoducks. Nominations were submitted by individuals and communities. The State of Alaska assessed 156 potential aquatic farm sites and proposed suspended culture, intertidal culture, and subculture sites.

According to 6 AAC 50.280, the coordinating agency and a resource agency may agree to modify the review schedule as necessary to coordinate the consistency review with the resource

"Develop, Conserve, and Enhance Natural Resources for Present and Future Alaskans."

agency's statutory or regulatory authorization review process, including a disposal of interest in state land, if the length of time for receipt of comments is at least as long as under 6 AAC 50.250 (30 days). Through an agreement between your agency and the Alaska Department of Fish & Game and the ACMP, a schedule was set that allowed a 60-day comment period commencing on July 1, 2003, and closing on August 29, 2003. Final consistency determinations were scheduled to be completed by October 7, 2003.

The transition of the Division of Governmental Coordination to the Office of Project Management & Permitting, effective April 15, 2003, and changes to our authorizing legislation, effective May 25, 2003, coupled with an increase in projects produced many delays and uncertainties in our agency. One unfortunate result was our failure to complete the review of this project in a timely fashion. Therefore your project is presumed consistent with the ACMP according to AS 46.40.96(n) and OPMP has no objection to your final finding as conveyed to me on March 3, 2004:

SOUTHEAST PRINCE OF WALES ISLAND

This final finding and decision is intended to compliment and update the respective preliminary finding and decision dated June 23, 2003 for those areas found to be suitable for aquatic farm leases under HB 208. The preliminary finding and decision proposed the state lease the following: The State received three written comments regarding nomination sites in southeast Prince of Wales Island, 1 from the USFS and two from concerned citizens who utilize Gardner Bay and Kendrick Bay as anchorage areas. Both Gardner Bay and Kendrick Bay are large bodies of water that could accommodate both aquatic farm sites and anchorage areas. However, the US Forest Service as informed the state that there is a hazardous waste site from an abandoned mine approximately 3 miles west of the nomination area in Kendrick Bay. The Forest Service does not believe an aquatic farm site located in the nomination area will be affected. In November, 2003, it is anticipated that an investigation of the waste site will begin. Until the results of that investigation are complete the State will deny the Kendrick Bay lease sites from further review under the HB 208 program. In the future, should the results from the investigation show that adjacent salt water meets the water quality standard an aquatic farm lease could be applied for under the on-going aquatic farm program. The inner portion of Gardner Bay has approximately 140 acres of surface area with depths that could support suspended culture aquatic farm sites. The State is looking to offer a maximum of 20 acres of surface area for aquatic farm sites. Although anchorage is noted in the Coast Pilot within the nomination it appears there is adequate room for both aquatic farm sites and anchorages in Gardner Bay. This final finding and decision will reflect these actions.

PROPOSED ACTION: The State is proposing to have available for lease aquatic farm sites leases, as indicated by Alaska Division of Mining, Land and Water (ADL) numbers, located in the following nominated areas:

*KET-N057-N058 Gardner Bay
ADL 107093 Suspended Culture 1 site 10 acres*

ADL 107094 Suspended Culture 1 site 10 acres

KET-N027-N029 Niblack Anchorage

ADL 107095 Suspended Culture 1 site 10 acres

ADL 107096 Suspended Culture 1 site 10 acres

ADL 107097 Suspended Culture 1 site 10 acres

KET-N023-N026 Johnson Cove

ADL 107098 Suspended Culture 1 site 10 acres

ADL 107099 Suspended Culture 1 site 10 acres

ADL 107100 Suspended Culture 1 site 10 acres

ADL 107101 Suspended Culture 1 site 10 acres

KET-N070-N074 Ingraham Bay

ADL 107102 Suspended Culture 1 site 10 acres

ADL 107103 Suspended Culture 1 site 10 acres

ADL 107104 Suspended Culture 1 site 10 acres

ADL 107105 Suspended Culture 1 site 10 acres

KET-N047-N051 Kendrick Bay West Denied

KET-N052-N056 Kendrick Bay East Denied

By copy of this letter, I am informing the U.S. Army Corps of Engineers and state agencies that Southeast Prince of Wales Area Aquatic Farm Sites has been deemed consistent with the Alaska Coastal Management Program. Please contact me at 907/465-8791 or email sandy_harbanuk@dnr.state.ak.us if you have any questions.

Sincerely

Sandy Harbanuk
ACMP Project Specialist

cc: Distribution List